

## BUILDING MILITARY "E-COIN-OMIC" POWER

BY

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USAWC STRATEGY RESEARCH PROJECT

**BUILDING MILITARY “E-COIN-OMIC” POWER**

by

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## **ABSTRACT**

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Today, a great debate in political science is taking place about how the U.S. can more effectively use non-kinetic instruments of power in current military operations. This paper focuses on the military's role projecting economic power and explores whether the military is doing a satisfactory job in employing economic strategies in twenty-first century counterinsurgency (COIN) operations. The paper demonstrates how an intertwined military economic and kinetic strategy can improve the U.S.'s chances of winning the "hearts and minds" of indigenous people while undermining the efforts of insurgents. The paper explores military economic strategies employed in previous U.S. COIN operations; economic concepts in the Army and Marine Corps foray into COIN operation doctrine (FM 3-24) and later Joint COIN operational doctrine (JP 3-24); and whether the military is currently organized, trained and equipped to succeed in this mission.





## BUILDING MILITARY “E-COIN-OMIC” POWER

The twenty-first century is typified by a volatile international environment, persistent conflict, and increasing state fragility...resulting in political strife, instability, or even insurgency.

—Joint Publication 3-24, *Counterinsurgency Operations*<sup>1</sup>

### Economics in Historical Counterinsurgency Doctrine

The military has a long history of employing counterinsurgency (referred to as COIN) strategies. The Department of Defense (DoD) currently defines a *Counterinsurgency* as “military, paramilitary, political, economic, psychological, and civic actions taken by a government to defeat insurgency.”<sup>2</sup>

Over time, insurgencies have changed how they organize (many are now non-state actors), how they raise money (globally), from what they draw their power and inspiration (idealism and money), who and where they recruit (radicals from all over the globe), how they get their message out (the Internet, e-mail, social networking websites), their motivations (hatred of the west, criminal activities), and strategies (suicide bombers, improvised explosive devices, cyber attacks). In 2005, an Al-Qaida spokesperson, Abu Mus’ab al-Najadi, offered this strategic aim:

...our war with America is fundamentally different, for the first time priority is defeating it economically. For that, anything that negatively affects its economy is considered for us a step in the right direction on the path to victory. Military defeats do not greatly effect how we measure total victory, but these defeats indirectly affect the economy which can be demonstrated by the breaching of the confidence of capitalists and investors in this nation’s ability to safeguard their various trade and dealings.<sup>3</sup>

And while economic actions and strategies have always played a role historically in counterinsurgencies, this quote highlights the growing importance economics play in conducting future COIN operations.

Although early American wars were actually fought as successful insurgencies, the first foray into U.S. “counterinsurgency doctrine” is often attributed to political scientist Francis Lieber during the American Civil War. At the request of the Union’s General in Chief, Lieber authored what would be issued by President Lincoln on April 24, 1863 as General Orders No. 100 "Instructions for the Government of Armies of the United States in the Field." Also known as the Lieber Code, these instructions codified rules that governed warfare and ensured protection of the captured and non-combatants.<sup>4</sup> The Lieber Code was significant because it recognized that if the Union did not provide fair treatment and accountability on the battlefield, the South might never reconcile its differences—which would have disastrous economic implications. U.S. counterinsurgencies continued throughout the 19<sup>th</sup> Century, but further Army interest in COIN-style doctrine was episodic and brief.<sup>5</sup>

In the twentieth century, two of the most renowned and respected authors on counterterrorism strategy were foreign officers. In 1962, French Colonel Roger Trinquier published his book, *Modern Warfare: A French View of Counterinsurgency*, based on his experiences in Indochina and Algeria. He described ‘modern warfare’ as an "interlocking system of actions - political, economic, psychological, military - which aims at the overthrow of the established authority in a country and its replacement by another regime."<sup>6</sup> Colonel Trinquier was critical of the traditional French army's inability to adapt itself to changing circumstances and noted, “Action of this kind [forcing insurgents to fight away from their own terrain] often implies political or economic measures that do not always fall within the purview of military leaders, but they should be used whenever possible.”<sup>7</sup> In 1971, British General Frank Kitson, authored *Low*

*Intensity Operations: Subversion, Insurgency and Peacekeeping* based on his experiences dealing with insurgencies in Kenya, Malaya, Cyprus, and Northern Ireland.<sup>8</sup> A proponent of the British style “hearts and minds” approach, today generally called the population centric approach, General Kitson popularized the idea of exercising “population control.”<sup>9</sup> Counterinsurgencies, he noted, “involve the use of political and economic pressure, strikes, protest marches, and propaganda, and...the use of small-scale violence for the purpose of coercing...members of the population into giving support.”<sup>10</sup> In his book, General Kitson noted some of the same civil-military tensions that exist today:

As the enemy is likely to be employing a combination of political, economic, psychological and military measures, so the government will have to do likewise to defeat him, and although an army officer may regard the non-military action required as being the business of the civilian authorities, they will regard it as his business, because it is being used for operational reasons. At every level the civilian authorities will rightly expect the soldier to know how to use non-military forms of action as part of the operational plan, although once it has been decided to use a particular measure they will know how to put it into effect.<sup>11</sup>

American counterinsurgency operations during this time frame were generally neglected in broader American military doctrine and national security policies after the Vietnam war.<sup>12</sup>

In the twenty-first century, America re-awakened after post 9/11 decisive victories in Iraq and Afghanistan to that fact that fighting protracted insurgencies is an increasingly complex and economically draining operation that is sometimes hopeless or impossible. Disagreeing that COIN should be wrapped up as part of a broader discussion of irregular warfare, the Army and Marines (led by Lt Gen Petraeus and Lt Gen Amos) on 15 Dec 2006 published a new field manual (FM 3-24,

*Counterinsurgency*) designed to fill a doctrinal gap.<sup>13</sup> The new counterinsurgency doctrine held:

Over time, counterinsurgents aim to enable a country or regime to provide the security and rule of law that allow establishment of social services and growth of economic activity. COIN thus involves the application of national power in the political, military, economic, social, information, and infrastructure fields and disciplines.<sup>14</sup>

General Petraeus popularized FM 3-24 as the first commander of the Multi-National Security Transition Command - Iraq (MNSTC-I) and later the Multi-National Force – Iraq (MNF-I) commander. While the doctrine was popular with the Army and Marines, FM 3-24 lacked Air Force and Navy endorsement/coordination. This issue was resolved with the release of Joint Publication 3-24, *Counterinsurgency Operations*, on October 5, 2009.

JP 3-24 was an exhaustive (249 pages) look at COIN operations across the range of military operations. It thoroughly described the relationships between COIN, irregular warfare, counterterrorism, and foreign internal defense.<sup>15</sup> This new doctrine also introduces the concept that civilian agencies should lead COIN efforts (although there is no indication civilian agencies will be provided the means to accomplish this new mission).<sup>16</sup> Use of the economic instrument of power is mentioned 105 times throughout the document, with economic revival and political reconciliation listed as key COIN end states.<sup>17</sup> Overall, however, the strategic approach taken in JP 3-24 borrows from General Kitson's philosophy that an insurgency typically succeeds or fails based on the support of the population and adds that counterinsurgency strategies should only be developed after understanding the population, then the insurgents, and finally the counterinsurgents.<sup>18</sup> The population centric approach taken in FM 3-24 and JP 3-24 fails to recognize that economics is actually the key issue in COIN operations--not local

populations. At the very least, fixing a state's economy sets the conditions for a long term successful population centric approach.

### The Role of Fragile States

The Crisis State Research Centre (CSRC) in London, England defines a "fragile state" as a state significantly susceptible to crisis in one or more of its subsystems.<sup>19</sup> Further, the CSRC says that in fragile states, "statutory institutional arrangements are vulnerable to challenges by rival institutional systems be they derived from traditional authorities, devised by communities under conditions of stress that see little of the state (in terms of security, development or welfare), or be they derived from warlords, or other non-state power brokers."<sup>20</sup> JP-24 offers that the term "fragile state" covers a broad range of failing, failed, and recovering states.<sup>21</sup> In his article, *A New Approach: The Need to Focus on Failing States*, Stefan Mair provides a prime example of what can go wrong when a fragile state starts to fail:

In the democratic republic of Congo, formerly known as Zaire, President Mobutu's inability to control the eastern territory invited Rwanda and Uganda to support a local warlord, Laurent Kabila. However, Kabila soon found himself repeating Mobutu's mistakes and was eventually ousted as well. These events culminated in what is called Africa's first world war: a multitude of rebel groups, ethnic militias, and armies of eight African countries enmeshed in a low-intensity war.<sup>22</sup>

Security deficiencies like this can also be a direct result of today's increasingly interlinked global economies in which markets magnify sharp and/or severe economic declines capable of sapping a nation's ability to carry out basic responsibilities of security and governance.<sup>23</sup> And when nations do not provide for their people, insurgents rapidly move in to fill the void, leaving people to make hard choices shaped by their own immediate needs for survival.<sup>24</sup> Author Steven Metz says insurgencies generate multiple adverse effects to include: the destabilization of regions; reduced

access to resources and markets; the blossoming of transnational crime; humanitarian disasters; and transnational terrorism.<sup>25</sup> Foreign Policy magazine now lists 14 nations in “Critical” condition (worst) in its 2009 Failed States Index—Zimbabwe, Sudan, Chad, Congo, Iraq, Afghanistan, Central African Republic, Guinea, Pakistan, Ivory Coast, Haiti, Burma, Kenya, Nigeria, Ethiopia, North Korea, Yemen, Bangladesh, and East Timor.<sup>26</sup> This list serves as a who’s who of where the U.S. and its allies are involved in COIN operations and where we might be involved in the next decade. So what can the U.S. and our allies do to fix these economic issues and loosen the grip of parasitic insurgencies that take hold?

### The Role of Economics in Counterinsurgency

Johanna Mendelson Forman at the Center for Strategic and International Studies (CSIS) correctly states, “In the twenty-first century, power is as much a function of economic capacity as it is of military strength.”<sup>27</sup> But what exactly is economic power, and should the military play a role in employing what is normally an instrument of power wielded by civilian agencies?

FM 3-24 defines ‘Economic power’ as “the power of groups or individuals to use economic incentives and disincentives to change people’s behavior.”<sup>28</sup> Others take it as “economic capabilities--macroeconomic policy, international trade policy, economic sanctions, and foreign aid-- utilized in pursuing national security objectives.”<sup>29</sup> While both are good definitions they miss the relevance of economic power that comes from a nation having a healthy domestic economy. Alexander Hamilton, the first U.S. Secretary of the Treasury, once said economic prosperity within a nation promotes, “Security from external danger, less frequent interruption of their peace with foreign

nations, and, what is more valuable, an exemption from those broils and wars between the parts.”<sup>30</sup>

By merging and narrowing these definitions to represent the space and time where the military is largely in control (as opposed to civilians agencies) of COIN operations, a practical new definition emerges as, “The U.S. military’s ability in COIN operations to attack an insurgent’s economic capability (an offensive capability) as well as protect and sustain a foreign nation’s economy (a defensive capability).” A term I call “e-COIN-omics.” The term is especially meant to highlight economic and military power interconnectivity in COIN operations. But how can the military fulfill this growing economic roll in COIN operations if civilian agencies such as the Department of the Treasury and Federal Reserve control *domestic* economic and financial levers, and the Departments of State/Justice/Treasury/Commerce, Central Intelligence Agency (CIA), Drug Enforcement Agency (DEA), and U.S. Agency for International Development (USAID), with the help of Congress, control most of the *foreign* economic and financial levers?

In twenty-first century COIN operations, the military needs to reconcile the fact that although COIN operations are doctrinally civilian-led operations, strategic leaders expect the military to lead, develop and implement economic strategies when U.S. civilian agencies cannot surge (either because of civilian security, funding or manpower issues). In his December 5, 2009 strategic and operational assessment of security operations in Afghanistan, Gen (Ret) Barry McCaffrey noted, “The international civilian agency surge will essentially not happen ---although State Department officers, US AID, CIA, DEA, and the FBI will make vital contributions. Afghanistan over the next 2-3 years

will be simply too dangerous for most civil agencies.”<sup>31</sup> A second example can be found in the 2010 National Defense Authorization Act (NDAA) which provides the State Department authority to transfer up to \$700 million of new Pakistan Counterinsurgency Capability Fund to DoD’s more established Pakistan Counterinsurgency Fund.<sup>32</sup> Finally, in the post-conflict phase, after COIN operations transition to U.S. civilian agency control, the military will still likely play a critical role in providing local economic oversight and feedback.

### Assessing Recent Economic Coin Strategies

In 2003, then 101st Airborne Division commander, Gen. Petraeus famously recounted to an interviewer, "I told Ambassador [L. Paul] Bremer that money is ammunition during his first visit [to Mosul], and that we didn't have much. He went back to Baghdad, and money started to flow."<sup>33</sup> Since then much has been written about increasing the military’s ability to project economic power (especially in COIN). In addition to newly published Army, Marine Corps and Joint Staff counterinsurgency doctrine, the Army has also released the *Commander’s Guide to Money as a Weapon System* and *Guiding Principles for Stabilization and Reconstruction* (in partnership with the U.S. Institute of Peace), which dedicates considerable time and effort to thinking about employment of the economic instrument of power. JP 3-24 notes, “Military leaders have a growing appreciation that ongoing COIN operations require military forces to be a delivery system for civilian activity and adopt roles where sufficient protection and stability allow the government to work safely with its population and for economic revival and political reconciliation to occur.”<sup>34</sup>

It was in this spirit that military leaders developed and implemented economic strategies in Iraq and Afghanistan. As the commanding general of Multi-National



Force – Iraq (MNF-I), General Petraeus developed the “Sons of Iraq” (SOI) program that put local Iraqis under contract for \$300 a month to provide basic military services (e.g., manning checkpoints).<sup>35</sup> The program was credited with promoting order and undermining the appeal of Iraqi insurgents. In fact, the SOI program is often mentioned as the predecessor to a FY2010 NDAA program that authorizes DoD to pay Taliban fighters who renounce the insurgency.<sup>36</sup> International Security Assistance Force (ISAF) commander, General Stanley McChrystal, hailed the program saying, “Economic opportunity, especially job creation, is a critical part of reintegrating the (insurgent) foot-soldier into normal life.”<sup>37</sup>

But while certain military economic programs proved successful, there are challenges to the overall effect economic programs have had in Iraq and Afghanistan. In 2009, officials from the General Accounting Office (GAO) testified before Congress that despite pouring \$49B into reconstruction and stabilization in Iraq (since 2003) and \$32B for similar efforts in Afghanistan (since 2002), many citizens in both countries still viewed Americans as an occupying force.<sup>38</sup> Additionally, increased aid has resulted in numerous cases of corruption. In 2009, two Pakistani Generals alleged that only \$500 million of the \$6.6 billion in American aid actually made it to the Pakistani military, and Iraqi government officers embezzled \$18 billion in American aid.<sup>39</sup> A February 2008 poll of 1,534 people in all 34 of Afghanistan’s provinces found that their opinion of the jobs/economy prospects had dropped from an already low 35 percent in 2005 to 29 percent in 2009 and that their assessment of living conditions had dropped 21 percentage points during the same time span.<sup>40</sup>

These problems highlight an interagency critique that while the military is well suited to defeating states, it is often a poor instrument in fighting ideas and wielding soft power.<sup>41</sup> Furthermore, while there is growing consensus that military leaders understand the need to develop and implement economic strategies for current COIN operations, FM 3-24 acknowledges the criticism that “many commanders are unfamiliar with the tools and resources required for promoting economic pluralism.”<sup>42</sup> Today, the stark reality is that while the military has some good economic initiatives, it has no strategic plan to build, train, plan and provide oversight of e-COIN-omic capability; develop functioning economic relationships with interagency organizations; and develop and measure e-COIN-omic indicators that ensure existing economic projects are producing the intended results.

### Recommendations

First, the military must take a greater role in defining and executing economic missions in support of COIN operations. Too often the military portrays this as a civilian problem. Future COIN operations should focus on fixing a foreign state’s economy as a precondition to winning “hearts and minds.” And while this mission will continue to involve civilian agencies conducting economic strategies at the strategic level, there will be a future recognition that when the U.S. and our allies are engaged with broken or corrupt governments, it is the military that is best suited to employ economic strategies at a tactical level. This recommendation, above all others, sets the conditions for successful COIN operations.

Second, the military needs to develop a small but professional cadre of well trained, strategically-minded economists. A broad definition of an economists nature of work includes studying how society distributes resources, such as land, labor, raw

materials, and machinery, to produce goods and services.<sup>43</sup> But military economists could be employed in COIN operations to study the health of fragile states' economies, insurgent economic operations, and economic analysis of local populations.<sup>44</sup> Today, military economic strategies are rudderless. Doctrine directs military leaders to use the economic instrument of power, but no one champions or exploits new initiatives and capabilities. This has produced a gap between military strategy and military capability. The void created has caused a power struggle between military specialties, who with the best of intentions, have rushed in to claim an expertise. First, there are the military commanders who often have no expertise in business, acquisition or finance but are provided large sums of discretionary funding and have the best understanding of tactical on-the-ground requirements. Next, military strategists also often have no expertise in business, acquisition or finance, but understand the importance of reducing and destroying our adversary's economic center of gravity as well as protecting and defending the fragile state's economy. Third, military finance personnel who have key insights into budgets, resource management, financial operations, internal controls, banking, disbursement, accounting, and DoD financial execution rules and regulations but often have little insight into either the tactical situation or how their expertise might be useful in a COIN environment. Fourth, there are military contracting officers who have key insights into DoD acquisition rules and regulations, establishing business strategies, and have oversight responsibilities of all DoD contracts (critical to projecting economic power) but may lack the same perspectives as finance personnel. Fifth, the Army has civil affairs personnel trained on analysis of populations, cultures and economic development who may not have the required detailed finance or economic

tools.<sup>45</sup> While all of these military specialists have skills essential to leading the economic power efforts in support of COIN operations, no single specialty has an overarching understanding and expertise of an economist. To confuse the issue further, in December 2008, the Secretary of Defense assigned the responsibility for countering threat financing to United States Special Operations Command (USSOCOM).<sup>46</sup> However, USSOCOM does not have enough trained experts in the field and its 2009 Posture Statement reflected a resigned role of simply coordinating activities with other interagency organizations instead of taking a lead role.<sup>47</sup>

Third, military personnel need more economic training. While Army pamphlets like the *Commander's Guide to Money as a Weapons System* are helpful, much more training is needed. A successful economic training program would enable military personnel involved in various e-COIN-omic roles to more effectively communicate in the language of 'economics'. It would also involve the adoption of a different mindset toward economics and national security. For Dr. Neu, a RAND analyst, this change means, "People have to get out of a confrontational framework and undertake a mindset that serves the interests of all parties involved."<sup>48</sup> The result would be Geographic Combatant Commanders who better understand the health of fragile states' economies, insurgent economic operations, and key regional economic indicators. Military commanders, contracting officers, finance, civil affairs personnel would also better understand how their respective jobs complement successful attainment of defeating an insurgent's economic center of gravity.

Fourth, the military should be involved in developing a comprehensive U.S. COIN economic strategy. Currently, DoD and the Department of State (and many other U.S.

civilian agencies involved in COIN operations abroad) have COIN economic strategies that produce tactical solutions that are often uncoordinated and disjointed at the strategic level. Testifying before the Committee on Armed Services in March 2009, Ms. Jacquelyn Williams-Bridgers, the GAO's Managing Director of International Affairs & Trade, noted:

Comprehensive U.S. strategies should discuss mechanisms and approaches for integrating and coordinating their efforts. On a U.S. interagency level, these mechanisms should help ensure that roles and responsibilities are clearly defined and that all the elements of U.S. national power, including military, diplomatic, intelligence, law enforcement, economic, and development assistance, are focused effectively on achieving U.S. objectives.<sup>49</sup>

As national security experts, the military could assist in establishing economic strategies that attempt to tie ends, ways and means together. From this position the military could also advocate for fewer nation-to-nation economic solutions (top-down solutions like embargoes, foreign aid, sanctions, etc.) that far too often result in corruption, and advocate for more efficient local funding programs that enhance the military's ability to wield economic power, provide greater oversight and accountability, and assurance that a greater percentage of every taxpayer dollar goes against the intended target.

Fifth, if the U.S. cannot create economic grand strategies in support of COIN operations (due to political or international considerations), the military needs an increased capacity to gather consensus and lead economic planning at the operational level of theater campaign planning. In 2006, with no strategic soft power plans and mounting corruption issues stemming from multiple U.S. civilian agencies providing monetary aid and support without a focused game plan, MNF-I and the U.S. Embassy in Bagdad cobbled together a Joint Campaign Plan (a classified operational plan) to establish "near-term and long-term goals in four critical areas--political, security,

economic and diplomatic.”<sup>50</sup> There was great discussion on how to defeat an insurgent’s economic center of gravity, and the Joint Campaign Plan was by most accounts successful in reversing many of the negative trends in Iraq (in conjunction with the U.S. military surge). Since there was no strategic political, security, economic and diplomatic plan at the national level, the Joint Campaign Plan contributed to a local whole of government solution so U.S. civilian agencies and the military better understood roles, responsibilities, time frames and desired end states. In the future, there will also be a role for the military in conducting pre-conflict security and economic analysis needed to determine the risk preferences of a given country’s government.<sup>51</sup>

Sixth, the military needs to develop expertise in economic oversight and rules enforcement. USAID uses the term “economic governance” to refer to the collection of policies, laws, regulations, institutions, practices, and individuals that shape the context in which a country’s economic activity takes place.<sup>52</sup> ISAF Commander, General Stanley McChrystal, was particularly critical in his Afghanistan assessment noting, “Problematic contracting processes and insufficient oversight also reinforce the perception of corruption within ISAF and the international community.”<sup>53</sup> To be successful in this area, economist Samuel Bowles suggests the military must deepen its understanding and venture into topic areas such as new institutional economics, science of maximization (concerned with crafting efficient solutions to situations where the lack of resources threatens to undermine rational behavior and distribution), determining real host nation economic capacity, different markets’ ontologies, behaviors, and the forces and types of capital that regulate preferences and clear imperfect contracts.<sup>54</sup> Finally, the military must develop strategies to detect and avoid

corruption. In Afghanistan, where insecurity is chronic and governance structures broken, the U.S. military has on occasion overwhelmed the capacity of local governments and businesses in a way that has actually fueled corruption (both perceived and real), intercommunal strife, and competition between local warlords.<sup>55</sup>

Seventh, the military needs to train military economic officers so that they can be conversant in the language of economics in the interagency. Collaborative approaches to national security require a well-trained workforce with the skills and experience to integrate the government's diverse capabilities and resources.<sup>56</sup> Developing internships for military economic officers at agencies with established economics personnel (the Department of the Treasury, Federal Reserve, Departments of State/Justice/Treasury/Commerce/Homeland Security, CIA, DEA, and USAID) would be a key step in the right direction. Although outside the realm of the interagency, positions at the National Economic Council, International Monetary Fund and World Bank would also be worth pursuing. These new partnerships would yield mutually beneficial insights and working knowledge. Training should also involve traditional professional military education paths such as sending military personnel to colleges and universities for advanced economics degrees or the development of a certified economic professional development program like acquisition and finance programs administered by Defense Acquisition University and DoD Professional Military Comptroller School. Finally, there are professional economic certifications such as the Certified Economic Developer (CEcD) sponsored by the International Economic Development Council that would be helpful in rounding out a military economic officer's skills.

Lastly, the military needs to create a set of economic indicators. American political scientist Samuel Huntington suggests that at the strategic level of economic competition, the instruments of power are productivity, market control, trade surplus, strong currency, foreign exchange reserves, ownership of foreign companies, and technology.<sup>57</sup> For e-COIN-omics, one practical economic indicator might be the percentage of U.S. contract dollars spent in country. In 2008 U.S. agencies awarded \$85 billion in contracts in Iraq; however, just under 40 percent of the people performing the work were Iraqis.<sup>58</sup> More recently, Lt. Gen. David M. Rodriguez, deputy commander of coalition forces in Afghanistan, led an effort to tie the cost of training and paying Afghan forces to an amount higher than what radical Islamist Taliban insurgency offers its recruits--\$250 to \$300 a month.<sup>59</sup> Other economic indicators might include unemployment, refugees/internally displaced persons, uneven development, economic decline, public services, exchange rate, national debt, economic stratification (percent below the poverty line), and/or regional differences in currency use and prices indicators.<sup>60</sup> As the U.S. government's first responders to future COIN operations, the military would need to both understand these indicators and ensure it emphasized transparency, accountability and standards at all times.<sup>61</sup>

#### Challenges in Employing Military E-COIN-OMIC Power

While increasing the role of the military in employing economic power is certainly desirable, the challenges ahead are many and varied. First, some national security experts have expressed concern that if DOD continues in the default responder role, it could lead to the militarization of foreign policy and may exacerbate the lack of civilian capacity.<sup>62</sup> While there are certainly perception issues with the military exercising soft power (e.g., economic power) capabilities, the reality is that security and safety



concerns demand the military operate in austere COIN locations where civilians cannot operate. But the intent cannot be for the military to neglect building soft power capabilities until the COIN area of operation is safe for civilian soft power experts to arrive. Instead, the military should be trained to lay the foundation and quickly attempt to gain the “hearts and minds” of the civilian population so that when U.S. civilian agency experts arrive, they only have to fine tune the strategies already begun.

A second challenge comes from the military establishment itself, where many believe the purpose of the military is to “break things and blow things up.” In this school of thought, military members are trigger pullers, not economists. This reflects an old school military mentality even though the military has often been used to project soft power (e.g., Berlin Airlift, Pakistan earthquake and Indian Ocean Tsunami relief). Army and Joint doctrine reflect a shift that acknowledges non-kinetic solutions are absolutely necessary in COIN operations. However, finding leadership in the military that is willing to champion and invest in building and sustaining a new military economist capability (perhaps in lieu of kinetic capability) may prove elusive.

A final challenge is convincing others in the Interagency and Congress that the military should play an expanded role in employing economic power. While many in these civilian government agencies highlight the military’s checkered past of providing oversight and accountability for economic COIN programs, most agree that the military will continue to play a vital security role in assisting local economic programs. The past decade has also demonstrated that future COIN operations will likely occur in dangerous places that civilian agencies may not have the funding nor capacity to support. So finally, although these civilian government agencies may have their

misgivings, the 2010 NDAA establishes that Congress and the President have confidence in the military to lead economic programs.

### Conclusion

Today, power is as much a function of economic capacity as it is of military strength.<sup>63</sup> The U.S. military has historically always fought insurgencies and included economics as part of its COIN doctrine. New U.S. military COIN doctrine reflects the growing importance of economics but favors a “population centric” approach to COIN. To be successful in twenty-first century COIN operations, the military must stop portraying development of economic strategies as a civilian problem and start taking a greater role in defining and executing economic missions. Future COIN operations should focus on fixing a foreign state’s economy as a precondition to winning “hearts and minds.” And while this mission continues to involve civilian agencies conducting economic strategies at the strategic level, it is the military that is best suited to employ economic strategies at a tactical level when the U.S. and its allies are engaged with broken or corrupt governments. Today’s military leaders and commanders understand and believe in the concept of economics as an instrument of power, but most commanders are unfamiliar with the tools and resources required for promoting economic pluralism.<sup>64</sup> While military economic programs, like General Petraeus’ “Sons of Iraq” program, have proven successful in combating insurgents and terrorists in ‘fragile states’ with weak economies, the military has yet to implement a strategic approach to e-COIN-omics--the ability in COIN operations to attack an insurgent’s economic capability (an offensive capability) as well as protect and sustain a foreign nation’s economy (a defensive capability). To fix the situation, the military needs to invest in building and sustaining a new military economist capability. Specifically, a

small but professional cadre of well trained economists engaged in comprehensive U.S. economic and finance strategy, economic analysis at the operational planning level, and economic oversight and rules enforcement at the tactical level. While critics counter that increasing the military's economic capabilities will ultimately lead to militarization of foreign policy and may exacerbate the lack of civilian capacity, the reality is that security and safety concerns demand the military operate in austere COIN locations where civilians cannot operate. Future COIN strategies should focus on economic solutions (i.e., national end state objectives) as a precondition to winning the "hearts and minds" of the local national civilian population, reducing/destroying an insurgent's economic center of gravity, and protecting/defending the fragile state's economy, governance and security. COIN strategy in the twenty-first century has changed for the better and continues to evolve. Moving forward, the military must take steps to build economics as a competency and increase its presence in federal government economic circles in order to successfully engage in COIN operations abroad.

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